

Memo to the FCRHA
April 22, 1999

ADMINISTRATIVE - 2.

RESOLUTION NUMBER: 21-99 ADOPTION OF THE FY2000 PUBLIC HOUSING UNDER MANAGEMENT OPERATING BUDGET FOR ANNUAL CONTRIBUTIONS CONTRACT P-184 AND P-2530.

ISSUE:

Adoption of the revised FY2000 Public Housing Under Management Operating Budget for Annual Contributions Contract (ACC) P-184 and P-2530 for submission to the United States Department of Housing and Urban Development (HUD).

RECOMMENDATION:

At its April 14, 1999 meeting, the FCRHA Finance Committee reviewed the item and recommended that it be placed on the April 22, 1999 FCRHA agenda and approved as presented.

TIMING:

Approval at the April 22, 1999 FCRHA meeting is requested.

RELATION TO FCRHA STRATEGIC PLAN:

The recommended action addresses the FCRHA's stated goal to provide opportunities for Fairfax County residents of low and moderate income to obtain safe, decent housing within their means.

BACKGROUND:

The FY2000 preliminary budget for the Public Housing Under Management Program was submitted to the Fairfax County Department of Management and Budget in September 1998 as part of the County's annual budget cycle and was included in the County's FY2000 Advertised Budget Plan in Fund 967, Public Housing Under Management. The revised FY2000 operating budget included with this item reflects projections based on the most current factors provided by HUD through the Performance Funding System (PFS). The use of these factors is required when developing the operating budget for submission to HUD on an annual basis.

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April 22, 1999

The FY2000 Public Housing Under Management Program operating budget provides for the operation of 1,052 units (under ACC P-184) in 26 developments under the Federal Public Housing Under Management Program and support for 42 positions, one of which is a grant position funded through the Drug Elimination Grant. Tavenner Lane (VA1951) is a 12-unit Public Housing project which is also included in this budget under the new ACC (P-2530).

This operating budget projects a deficit of \$104,145 for FY2000; however, there is a sufficient fund balance to cover this amount. This is primarily due to an unusually high year end adjustment for FY1998. This adjustment is primarily the result of lower than projected utility expenses in FY1998 which resulted in an overpayment of operating subsidy of approximately \$175,000 for FY1998, as HUD fronts the subsidy based on projections. Per HUD guidelines, this surplus should be adjusted in the following budget year. The FY2000 Budget is based on HUD funding operating subsidies at 100% of eligibility.

Upon adoption, the Public Housing Operating Budget will be submitted for HUD approval.

OTHER COMMENTS:

If this item is not approved for submission to HUD, there is a potential for the loss of operating subsidy for 1,052 units under ACC P-184 and another 12 units under ACC P-2530. The loss of this funding would result in the displacement of families from their rental units.

ENCLOSED DOCUMENTS:

Attachment 1, Resolution No. 21-99

Attachment 2, Fund 967 - Public Housing Under Management P-184 and P-2530

STAFF:

Robert C. Counts, Acting Director, Department of Housing and Community Development (HCD)

Mary E. Egan, Deputy Director, HCD

Dee Fredrickson, Senior Financial Analyst, Financial Management Division, HCD

Cathi Schultz, Financial Analyst, Financial Management Division, HCD

RESOLUTION NO. 21-99

ADOPTION OF THE FY2000 PUBLIC HOUSING UNDER MANAGEMENT
OPERATING BUDGETS FOR ANNUAL CONTRIBUTIONS
CONTRACT P-184 AND P-2530.

BE IT RESOLVED, that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the FY2000 budget for Annual Contributions Contract P-184 and P-2530 presented at its April 22, 1999 meeting, which is necessary for the operation of the FY2000 Public Housing Under Management Program totaling 1,052 and 12 units, respectively, and authorizes submission of the budget to the U.S. Department of Housing and Urban Development.

FUND 967 - PUBLIC HOUSING UNDER
MANAGEMENT (151)

Public Housing Under Management fund provides for the operation of 1,064 units in 27 developments under the Federal Public Housing Program.

In addition Fund 967 supports 42 positions, one of which is a grant position funded by the Public Housing Drug Elimination Grant.

CATEGORY	FY 1999 ADOPTED BUDGET		FY 2000 ADVERTISED BUDGET PLAN	FY 2000 HOUSING REVENUE REQUIREMENT
POSITIONS/FULL-TIME EQUIVALENT REGULAR	42/41.5	42/41.5	42/41.5	42/41.5
BEGINNING BALANCE, JULY 1	\$505,868	\$773,635	\$773,635	\$773,635
RECEIPTS:				
DWELLING RENTAL INCOME	\$3,259,914	\$3,538,644	\$3,538,644	\$3,570,700
EXCESS UTILITIES	\$122,229	\$134,767	\$134,767	\$134,767
INTEREST ON INVESTMENTS	\$17,306	\$38,513	\$38,513	\$88,100
OTHER OPERATING RECEIPTS	\$125,738	\$126,950	\$126,950	\$84,100
HUD ANNUAL CONTRIBUTION	\$331,724	\$335,548	\$335,548	\$331,724
DRUG ELIMINATION PROGRAM	\$0	\$0	\$0	\$0
HUD SUBSIDY	\$982,462	\$724,668	\$724,668	\$600,000
TOTAL RECEIPTS	\$4,839,373	\$4,899,090	\$4,899,090	\$4,809,500
TOTAL AVAILABLE	\$5,345,241	\$5,672,725	\$5,672,725	\$5,583,100
EXPENDITURES:				
ADMINISTRATION	\$1,369,234	\$1,396,545	\$1,379,178	\$1,391,600
TENANT SERVICES	\$29,195	\$29,611	\$24,470	\$24,400

UTILITIES	\$1,473,466	\$1,435,956	\$1,435,956	\$1,437,3
ORDINARY	\$1,187,001	\$1,231,472	\$1,231,472	\$1,242,2
MAINTENANCE/OPERATION				
GENERAL EXPENSES	\$423,699	\$416,238	\$416,238	\$430,2
NONROUTINE	\$23,786	\$19,806	\$18,874	\$19,8
EXPENDITURES				
DRUG ELIMINATION	\$0	\$0	\$0	
PROGRAM				
OTHER EXPENSES	\$331,724	\$335,548	\$335,548	\$335,5
COLA RESERVE			\$32,423	\$32,4
TOTAL EXPENDITURES	\$4,838,105	\$4,865,176	\$4,874,159	\$4,913,7
ENDING BALANCE, JUNE	\$507,136	\$807,549	\$798,566	\$669,4
30				

NOTES:

- 1/ Increase in Dwelling Rental Income is based on the current rent roll as required by HUD.
- 2/ Interest Income projection is based on the Performance Funding System (PFS) required Estimated Investment Income formula.
- 3/ Other Operating Receipts are calculated by excluding revenue which has an offsetting expense, per PFS guidelines.
- 4/ Funding for the Drug Elimination Grant will be included in the budget upon final approval by HUD.
- 5/ Decrease in HUD Subsidy is primarily due to an unusually high year end adjustment for FY1998. Projection is based on latest PFS factors.
- 6/ Utilities are based on the HUD required three year rolling average.
- 7/ General Expenses are estimated per HUD guidelines.

Memo to the FCRHA
April 22, 1999

ADMINISTRATIVE - 3.

RESOLUTION NUMBER: 22-99 ADOPTION OF THE FY2000 SECTION 8 HOUSING ASSISTANCE PROGRAM OPERATING BUDGET FOR ANNUAL CONTRIBUTIONS CONTRACT P-2509 AND P-2515.

ISSUE:

Adoption of the revised FY2000 Section 8 Housing Assistance Program Operating Budget for Annual Contributions Contract (ACC) P-2509 and P-2515 for submission to the U.S. Department of Housing and Urban Development (HUD).

RECOMMENDATION:

At its April 14, 1999 meeting, the FCRHA Finance Committee reviewed the item and recommended that it be placed on the April 22, 1999 FCRHA agenda and approved as presented. The Committee also requested that a graph be provided showing the number of Section 8 units administered by the FCRHA during the past five fiscal years as well as a projection for the next three years. (See Attachment III)

TIMING:

Approval at the April 22, 1999 FCRHA meeting is requested.

RELATION TO FCRHA STRATEGIC PLAN:

The recommended action addresses the FCRHA's stated goal to provide opportunities for Fairfax County residents of low and moderate income to obtain safe, decent housing within their means.

BACKGROUND:

The FY2000 preliminary budget for the Section 8 ACC P-2509 and P-2515 was submitted to the Fairfax County Department of Management and Budget in September 1998 as part of the County's annual budget cycle and was included in the County's FY2000 Advertised Budget Plan. This budget constitutes Fund 966, Federal Section 8 Rental Assistance Program. A revised operating budget has been prepared based on more current data and instructions from HUD for submission to HUD.

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April 22, 1999

The ACC P-2509 and P-2515 covers 3,177 units consisting of three major components: 1,171 certificates, 1,617 housing vouchers and 389 new construction units. As of April, 1999 HUD guidelines indicate that those units under the certificate program will be moved into the voucher program as the contracts come up for renewal.

Projected revenue for administrative fees is sufficient to cover anticipated administrative expenses in FY2000, with a surplus of \$130,666 contributing to the balance of the fund.

Sufficient project account balances and maximum annual contributions commitment exist to fund each project's operating budget in ACC P-2509 and P-2515 in FY2000 except for vouchers. This is primarily due to the ongoing consolidation of the certificate and voucher programs and the recapture of project reserves by HUD last year. However, under 24CFR881.503(b)(2), HUD is mandated to assure that payments under the contract or ACC will be adequate to cover increases in contract rent and decreases in tenant rents. Thus, additional annual contributions should be forthcoming from HUD.

The attached graph reflects the number of Section 8 units in all components of the Section 8 program (tenant-based vouchers and certificates and project-based moderate rehabilitation and new construction units) as reflected in the Adopted Budget for FY1995 through FY1999. Since figures for the County budget are developed early in the prior fiscal year, these numbers generally reflect the total units available in the prior year and not new increments of assistance received during a fiscal year - e.g. the FY1999 Adopted Budget figure reflects the actual number for FY1998.

As the graph indicates, HUD is consolidating the certificate and voucher components of the program and converting all of this funding to vouchers. Also, the FCRHA no longer administers any Moderate Rehabilitation units, as the Seven Corners contract was not renewed and the Alexandria Housing Authority is now administering the contract for Hopkins-Tancil in Alexandria.

The future projections assume no change in the number of New Construction units, presuming that the owners will elect to renew these contracts when they expire. The increase in number of vouchers in FY2000 reflects HUD's conversion from certificates and vouchers, as well as new awards for the mainstream and preservation programs. The increase in vouchers projected at approximately 200 per year is based on the assumption that new awards will continue to be made in support of the preservation program and other programs as approved by HUD.

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April 22, 1999

OTHER COMMENTS:

If this item is not approved for submission to HUD, there is a potential for the loss of federal funds for 3,177 units under ACC P-2509 and P-2515. The loss of this funding would result in the displacement of families from their rental units.

ENCLOSED DOCUMENTS:

Attachment 1, Resolution No. 22-99

Attachment 2, Fund 966 - Section 8 Rental Assistance Annual Contributions Contract P-2509 and P-2515

Attachment 3, Graph of Number of Section 8 Units

STAFF:

Robert C. Counts, Acting Director, Department of Housing and Community Development (HCD)

Mary E. Egan, Deputy Director, HCD

Dee Fredrickson, Senior Financial Analyst, Financial Management Division, HCD

Mary Lou Thompson, Financial Analyst, Financial Management Division, HCD

ATTACHMENT I

ATTACHMENT I

RESOLUTION NO. 22-99

ADOPTION OF THE FY2000 SECTION 8 HOUSING
ASSISTANCE PROGRAM OPERATING BUDGET FOR
ANNUAL CONTRIBUTIONS CONTRACT P-2509 AND P-2515

BE IT RESOLVED, that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the FY2000 budget for Annual Contributions Contract (ACC) P-2509 and P-2515 totaling 3,177 units which is necessary for the operation of the FY2000 Section 8 Housing Assistance Program, and authorizes submission of the budgets to the U.S. Department of Housing and Urban Development.

ATTACHMENT I

FUND STATEMENT
FY 2000

FUND TYPE H96, FEDERAL SECTION 8 RENTAL ASSISTANCE
FUND 966, SECTION 8 ANNUAL CONTRIBUTIONS, P2509 &
P2515

	FY 1999 ADOPTED BUDGET PLAN	FY 2000 REQUEST	
BEGINNING BALANCE, JULY 1	\$90,122	\$114,526	
RECEIPTS:			
ANNUAL CONTRIBUTIONS	\$21,317,040	\$20,796,063	\$2
OTHER CHARGES	\$335,243	\$335,243	
MISC. REVENUE	\$4,146,986	\$4,111,171	\$
TOTAL RECEIPTS	\$25,799,269	\$25,242,477	\$2
TRANSFER IN FROM FUND 946	\$0	\$0	
TOTAL AVAILABLE	\$25,889,391	\$25,357,003	\$2
EXPENDITURES:			
HOUSING ASSISTANCE PAYMENTS	\$23,508,801	\$23,033,839	\$2
ONGOING ADMINISTRATIVE EXPENSES	\$2,356,825	\$2,363,317	\$
PRELIMINARY EXPENSES	\$0	\$0	
TOTAL EXPENSES	\$25,865,626	\$25,397,156	\$2
TRANSFER OUT TO SUBFUND 411 Cola Reserve	\$0	\$0	
TOTAL DISBURSEMENTS	\$25,865,626	\$25,397,156	\$2
ENDING BALANCE, JUNE 30	\$23,765	(\$40,153)	

ATTACHMENT I

NOTES:

(1) The FCRHA has been awarded additional vouchers to support various programs and Preservation.

(2) The FCRHA has begun to "absorb" tenants presenting Certificates and Vouchers from an increment allotted to the FCRHA by HUD. This includes Portability HAP payments (Misc. Revenue) and associated administrative fees.